

## **Support S. 1606/H.R. 4678**

### **The Foreign Manufacturers Legal Accountability Act**

#### ***Why Should Foreign Manufacturers Be Less Accountable than U.S. Business?***

From toxic drywall to pet food laced with rat poisoning, U.S. consumers and businesses need additional tools to hold *foreign manufacturers* accountable for the defective and sometimes very dangerous products they sell in the United States.

***83% of the products recalled by the Consumer Product Safety Commission (CPSC) in 2009 were manufactured in a foreign country.***

That percentage is similar to the 84% of foreign products recalled by the CPSC in 2008. S. 1606 and H.R. 4678, the *Foreign Manufacturers Legal Accountability Act*, would force foreign manufacturers to ***play by the same rules*** as American manufacturers and help U.S. consumers and businesses seek redress in U.S. courts for injuries or even death caused by dangerous foreign products sold here in the United States.

**Summary of S. 1606 and H.R. 4678.** The bill would make it easier for an injured consumer to serve the foreign manufacturer with notice of pending claims. Service of process is the procedure used to give legal notice to a defendant of a court's exercise of its jurisdiction over the defendant so that person or entity can respond to the proceeding before the court.

- Foreign manufacturers or producers of covered products would be required to register an agent, located in a state where the company does business, who would be able to accept service of process for civil and regulatory claims.
- By registering the agent, the foreign manufacturer or producer also consents to state and federal jurisdiction for civil and regulatory claims.
- Covered products include drugs, devices, cosmetics, biological products, consumer products, chemical substances, and pesticides manufactured or produced outside of the United States.

Additionally, the bill directs the FDA and the Department of Agriculture to jointly study the possibility of requiring foreign food producers to have registered US agents. Finally, the bill prohibits the importation of products of foreign manufacturers who do not have registered agents in the United States.

**S. 1606/H.R. 4678 is good for U.S. Business.** U.S. businesses should not be forced to unfairly compete against foreign businesses that can easily skirt the law. When a foreign manufacturer cannot be located, the U.S. seller may be the only party available to defend a lawsuit brought by an injured consumer. As in the case of toxic drywall, U.S. businesses also end up shouldering monetary losses when they cannot hold foreign

suppliers accountable for dangerous products. This bill would help U.S. companies by making it easier to hold foreign manufacturers accountable here where the harm occurred.

**S. 1606/H.R. 4678 would help U.S. Consumers.** The bill would make it easier for U.S. consumers injured in the United States to hold foreign manufacturers accountable for the injuries they cause. Why should a consumer have to travel to China to serve the defendant when the defendant does business in the U.S. and has an agent-importer located here? Why should Chinese law apply to a U.S. consumer injured in their own home? The Foreign Manufacturers Legal Accountability Act addresses both problems.

**Beefing Up Inspections of Imports Isn't Enough.** Congress should make it more difficult for dangerous foreign imports to be sold here. But beefing up inspections isn't enough. Consumers and businesses need additional tools to hold foreign manufacturers accountable. Without this accountability, consumers and U.S. businesses are left holding the bag, and the U.S. taxpayers may be footing the bill if an injured consumer needs to rely on government assistance instead. Foreign manufacturers should be held accountable for deaths and injuries they cause here in the United States.